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UNITED STATES OF AMERICA POSTAL REGULATORY COMMISSION WASHINGTON, DC 20268-0001

Before Commissioners: Robert G. Taub, Chairman;

Mark Acton, Vice Chairman; Tony Hammond; and

Nanci E. Langley

Market Dominant Product Prices Inbound Market Dominant Registered Service Agreement Negotiated Service Agreements Docket No. MC2016-168

Market Dominant Product Prices Inbound Market Dominant Registered Service Agreement (MC2016-168) Negotiated Service Agreement

Docket No. R2016-6

ORDER ACKNOWLEDGING REVISED VERSION OF INBOUND MARKET DOMINANT REGISTERED SERVICE AGREEMENT

(Issued February 22, 2017)

I. INTRODUCTION

The Postal Service filed a notice of a revised version of the PRIME Registered Service Agreement.¹ For the reasons discussed below, the Commission acknowledges the Revised Agreement.

¹ Notice of United States Postal Service of Filing Revised Version of Inbound Market Dominant Registered Service Agreement, and Application for Non-Public Treatment, February 15, 2017 (Notice). The revised version is an attachment to the Notice (Revised Agreement).

R2016-6

In Order No. 3471, the Commission added Inbound Market Dominant Registered Service Agreement 1 to the market dominant product list (Existing Agreement).² On February 15, 2017, the Postal Service filed notice that it has agreed to a Revised Agreement.

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The Postal Service states that the Revised Agreement went into effect on January 19, 2017.³ Notice at 4. The Postal Service identifies numerous differences between the Existing Agreement and the Revised Agreement, but asserts that the differences do not affect the costs, revenues, and volumes that it projected in its initial request and notice in this docket. *Id.*

II. COMMISSION ANALYSIS

The Commission has reviewed the Notice and the accompanying materials filed under seal.

The Commission analyzes a market dominant negotiated service agreement (NSA) under 39 U.S.C. § 3622(c)(10), which requires that a market dominant NSA: (1) improves the net financial position of the Postal Service or enhances the performance of operational functions; (2) will not cause unreasonable harm to the marketplace; and (3) will be available on public and reasonable terms to similarly situated mailers. Pursuant to 39 U.S.C. § 407(d)(2), the Postal Service is required to provide the Commission with a copy of an contract with foreign agencies related to providing international postal and/or delivery services.

The Revised Agreement replaces terms in various articles and annexes of the contract. Notice, Attachment 1. The Commission concludes that the Revised

² See Docket Nos. MC2016-168 and R2016-6, Order Adding Inbound Market Dominant Registered Service Agreement 1 to the Market Dominant Product List and Approving Type 2 Rate Adjustment, August 17, 2016 (Order No. 3471).

³ The Postal Service filed notice of the Revised Agreement more than three weeks after the Revised Agreement went into effect. The Postal Service is reminded that the copy of the contract shall be transmitted to the Commission no later than the effective date of the contract. *See* 39 U.S.C. § 407(d)(2).

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Agreement is substantially similar to the Existing Agreement and the differences

between them do not fundamentally alter the service the Postal Service will provide

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under the Existing Agreement or the structure of the Existing Agreement. Nor do the

differences in the Revised Agreement affect the costs and revenue of the Existing

Agreement. Thus, the Commission finds that the Revised Agreement comports with the

statutory and regulatory provisions applicable to rates for market dominant products.

It is ordered:

The Commission acknowledges the revisions made to the PRIME Registered

Service Agreement.

By the Commission.

Stacy L. Ruble Secretary